

TRANSMITTAL #5

MEMORANDUM

October 5, 2011

TO: Workforce Development Council

FROM: Roger B. Madsen, Director

SUBJECT: Workforce Investment Act Formula 15% Funds for Youth in Need

ACTION REQUESTED: Approval of WIA Youth in Need Distribution Formula

BACKGROUND:

Section 129 of the Workforce Investment Act (WIA) sets aside a specified portion of each State's youth allocation for statewide activities, with a mandatory activity of "providing additional assistance to local areas that have high concentrations of eligible youth to carry out the activities described in the Act". A pool of \$100,000 is being made available in PY 2011 to local areas for youth services.

The existing formula considers fund utilization and the availability of formula youth funds. The current formula was adopted at a time when the state was experiencing year after year reductions in funding and attempted to direct part of the funding to those areas that experienced a loss. For this program year, no area in the state lost funding so no area would qualify for this part of the funding. Therefore, it is necessary to adopt a new strategy for providing additional assistance to local areas.

Because the formula must be directed to areas that have "high concentrations" of eligible youth, the current practice of allocating half of the funds to areas with youth poverty rates that exceed the state average continues to be a viable option that directs funding to those areas most needing funding for their eligible youth.

STAFF RECOMMENDATION:

The Staff recommends that the council adopt the following formula for distribution of Youth in Need funds:

1. Half of these funds will be divided among those regions whose poverty rates for youth exceed the state average, based on the most recent data available.

2. The other half will be shared equally among those regions that expend at least 80% of their PY 2010 fund availability.

If this formula is adopted, the Youth in Need funds for PY 2011 would be awarded as follows:

Region 1	\$12,500
Region 2	\$29,166
Region 3	\$0
Region 4	\$12,500
Region 5	\$29,166
Region 6	\$16,666

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